Dawgen GLOBAL

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CARIBBEAN SERVICE DESK · GREATER ANTILLES

Doing Business in Cuba

A practical guide to the rules, structures and sanctions issues that shape business with Cuba

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FOREWORD

Cuba is the largest island in the Caribbean and one of the region's most distinctive business environments, with a state-led economy that has been opening gradually to private and foreign participation.

Investors look at Cuba for its size, location, educated workforce and tourism base. Opportunity sits alongside unusual complexity: a state-led investment approval process, a multi-tier exchange rate, rules that changed several times in 2026, and an extensive body of United States sanctions that can reach non-US businesses.

This guide sets out what you need to know in plain language: the forms open to foreign investors, how approval works, what taxes apply, how staff are engaged, and the sanctions issues to assess before taking any step. It is written for investors and regional and international groups considering Cuba-related activity.

We support Cuba-related matters through Dawgen Global's Caribbean Service Desk, managed from our headquarters in Kingston, and only where permitted under applicable sanctions laws.

Dr. Dawkins Brown, Ph.D., MCMI, ACFE

Executive Chairman, Dawgen Global

> **How to use this guide**
>
> This guide gives a practical overview of establishing and running a business in Cuba. It is general information, current to October 2026, and is not a substitute for advice on your circumstances. Rates and rules change; speak to us before you act.

OVERVIEW

01 Cuba at a glance

The largest island in the Caribbean, with a state-led economy, a growing private small-business sector and foreign investment admitted case by case.

CAPITAL
Havana
Political and commercial centre; Santiago de Cuba is the second city

POPULATION
Under 10 million
Official estimates show a declining population

LANGUAGE
Spanish
Official language of business, law and contracts

CURRENCY
Cuban peso (CUP)
Several official exchange rates; foreign currency widely used

LEGAL SYSTEM
Civil law
Socialist state under the 2019 Constitution

TIME ZONE
UTC−5
Daylight saving (UTC−4) in summer

PROFIT TAX
35% general
15% under the Foreign Investment Law; 12% in Mariel

SALES AND SERVICES TAX
Generally 10%
No VAT; turnover-based taxes

SANCTIONS
US embargo
Assess US and other sanctions before any step

Leading sectors

Tourism and hospitality · Biotechnology and pharmaceuticals · Nickel and mining · Tobacco and rum · Renewable energy · Agriculture and food · Logistics · Wholesale and retail

Gateways

José Martí International Airport (Havana) and Varadero are the main airports, with others serving tourist regions. The Port of Mariel, west of Havana, is the main container terminal and sits inside the Mariel Special Development Zone.

Public holidays

National holidays include 1 January, 1 May, 25 to 27 July, 10 October and 25 December. Confirm the current list each year.

INVESTMENT CLIMATE

02 Why Cuba

Market size, location and a skilled workforce attract investors, but every project needs an approval, a sanctions assessment and a realistic view of foreign currency risk.

Size and location

Cuba is the largest Caribbean market by land area and one of the largest by population. It sits on the main shipping routes between the Atlantic, the Gulf of Mexico and the Panama Canal.

Educated workforce

Cuba has high literacy and a large pool of graduates in medicine, engineering and the sciences. Biotechnology and health services are established export sectors.

A reforming framework

Since 2021 private micro, small and medium enterprises (mipymes) have been legal, and in 2026 the government amended the investment and private-sector rules several times to attract capital.

A state-led economy in transition

The state and its enterprises remain the main counterparties for foreign investors. The Foreign Investment Law (Law 118 of 2014) and the Mariel Special Development Zone (ZEDM) set the framework, and the government publishes a Portfolio of Opportunities listing priority projects.

The economy faces fuel and power shortages, high inflation and scarce foreign currency, and United States sanctions were tightened significantly in 2025 and 2026. These risks belong at the centre of any business case.

Where foreign investment is sought

Sector	Examples of priority areas
Tourism	Hotel development and management, marinas and tourism real estate
Energy	Renewable generation, solar parks and energy efficiency
Food and agriculture	Food production, agro-processing and import substitution
Industry and logistics	Manufacturing and logistics in the Mariel Zone
Trade	Wholesale and retail supply through joint ventures

MINCEX

The Ministry of Foreign Trade and Foreign Investment (MINCEX) receives and evaluates foreign investment proposals outside the Mariel Zone. The ZEDM Office handles applications inside the Zone.

LEGAL VEHICLES

03 Choosing a business structure

Foreign investment in Cuba takes one of three forms under Law 118, each needing government approval. Private mipymes are a separate regime, largely reserved to Cuban nationals and permanent residents.

Vehicle	Key features	Typical use	Main obligations
Joint venture (empresa mixta)	Cuban share company with registered shares, owned by one or more Cuban partners and foreign investors; share split negotiated	Most foreign investment projects	Approval; notarial deed; Commercial Register; tax and accounting filings
International economic association contract	Contract between Cuban and foreign partners with no new legal entity; includes hotel, production and service management contracts	Management, production and service arrangements	Approval; contract performance; tax under the contract's regime
Totally foreign capital company	Wholly foreign-owned; approved by the Council of Ministers; taxed under the general rules unless benefits are granted	Selected projects, often in the Mariel Zone	Approval; registration; general tax regime
Branch or commercial representation	Registered with the Chamber of Commerce's national register of foreign branches and agents	Market presence and representation of foreign suppliers	Registration and renewal; limits on activities
Mipyme (limited liability company)	Private company: micro (up to 10 staff), small (11 to 35), medium (36 to 100); since September 2026 a "private company" category above 100	Cuban-owned private business	Approval and registration; tax and payroll filings

Can foreigners own a mipyme?

Partners must be Cuban citizens, resident in Cuba or, since September 2026, abroad, or foreigners with permanent residence in Cuba. Other foreign investors cannot be partners directly, but mipymes may associate with foreign capital under the foreign investment rules.

Beneficial ownership

Expect full identification of the individuals who ultimately own or control the foreign investor during approval, notarial and banking checks.

GETTING STARTED

04 Setting up: step by step

Foreign investment in Cuba is approval-led. Under rules amended in July 2026, a decision is due within 60 calendar days of a complete application; negotiation with a Cuban partner usually takes longer.

1 **Screen for sanctions first** — BEFORE STARTING

Before any contact or commitment, take specialist advice on US and other sanctions affecting you, your partners, your banks and the assets involved.

2 **Find the opportunity and partner** — MONTHS 1–6

Review the Portfolio of Opportunities and agree terms with the Cuban partner, including capital, contributions and disbursement timetable.

3 **Submit the application** — UP TO 60 DAYS

File with MINCEX or, inside the Mariel Zone, the ZEDM Office, with a pre-feasibility study, the draft agreements and investor documents. The evaluation commission has seven business days to review the file.

4 **Incorporate and register** — AFTER APPROVAL

Execute the public deed before a Cuban notary and register the company in the Commercial Register.

5 **Register for tax and banking** — WEEKS 1–4

Register with ONAT and open accounts with a Cuban bank. Joint ventures may also hold accounts abroad with notice to the Central Bank.

6 **Engage staff** — WEEKS 2–8

Hire directly or through an authorised employing entity, and arrange work permits and immigration status for foreign staff.

7 **Licences and compliance** — BEFORE TRADING

Obtain environmental and sector licences, and set up accounting, tax and data protection compliance under Law 149 of 2022.

Documents you will usually need

For a foreign investor: a commercial register certificate issued within the last year, bank references, certified financial statements and constitutional documents, legalised and translated into Spanish, plus identification of directors and beneficial owners.

TAXATION

05 Tax at a glance

The Tax System Law (Law 113 of 2012) sets the general regime, applied each year through the State Budget Law. Foreign investment under Law 118 and in the Mariel Zone has its own regime.

Business taxes	
Profit tax	35% general rate, including mipymes and totally foreign capital companies
Law 118 investors	15%; exempt for 8 years from incorporation; up to 50% higher where natural resources are exploited; reinvested profits exempt
Mariel Zone	12%; exempt for 10 years
Sales and services taxes	Generally 10%; Law 118: 50% reduction, exempt in first year; Mariel: 1%, exempt in first year
Labour force tax	5% of payroll; Law 118 and Mariel exempt
Local development	1% of gross income; Law 118 exempt during investment recovery; Mariel exempt
Customs	Law 118 and Mariel: exempt on equipment imported for the investment

Individuals and investors	
Personal income tax	Progressive rates, with separate regimes for employees and self-employed people
Dividends	Foreign partners in joint ventures and association contracts exempt
Repatriation	Law 118 allows dividends and profits to be transferred abroad free of tax, in foreign currency

Cuba has a small treaty network, including agreements with Spain, Portugal and Austria. Non-resident payments should be reviewed case by case.

Recent changes

The 2026 State Budget (Law 181, in force 1 January 2026) introduced no new general taxes and again suspended the tax on agricultural land and the housing tax for residents. Mipyme rates (35% profit, 10% sales or services, 5% labour, 14% social security, 1% local) have applied since January 2024.

PEOPLE

06 Employing people

Labour law is set by the Labour Code (Law 116 of 2013). Rules changed in 2026: foreign investment businesses may now hire Cuban staff directly instead of only through state employing entities.

Minimum standards

- **Minimum wage:** CUP 2,100 a month, set in 2021; confirm the current figure
- **Hours:** 8-hour working day, with weekly limits and overtime under the Labour Code
- **Vacation:** one month's paid leave for each 11 months of work
- **Maternity:** paid maternity leave and extended childcare benefits under the maternity law
- **Pay currency:** wages are paid in CUP; foreign currency bonuses are allowed where the investment earns foreign currency
- **Disputes:** through the labour justice procedures, then the courts

Payroll contributions (private sector)

Contribution	Employee	Employer
Social security	5% (10% above CUP 15,000 a month)	14%
Labour force tax	—	5%
Personal income tax	Progressive	—

Law 118 and Mariel businesses are exempt from labour force tax; Mariel businesses pay 14% social security.

How staff are engaged

Employing entities

Traditionally, staff are contracted by an authorised Cuban employing entity, which the business pays under a service agreement, and which pays workers in CUP.

Direct hiring (2026)

Since September 2026 joint ventures, totally foreign capital companies and association contracts may hire Cuban citizens and permanent residents directly. Since October 2026 foreign commercial representations may too.

Foreign staff

Non-resident foreigners may fill management and certain technical posts, with a work permit and the corresponding immigration status.

HR essentials from day one

Decide whether to hire directly or through an employing entity, document the arrangement, keep pay and leave records, and align bonuses and incentive funds with the authorisation. Check that payroll payments and bank channels are consistent with applicable sanctions.

MONEY AND ASSETS

07 Banking, currency and property

Banking and currency

Banking is state-owned and regulated by the Central Bank of Cuba (BCC). The Cuban peso is the national currency, but foreign currency is scarce and increasingly used.

- **Several official rates:** CUP 24 per US dollar for legal entities and CUP 120 for individuals, plus a floating rate since 18 December 2025, which opened at about CUP 410
- **Informal market:** rates remain well above the official rates; unification has no published date
- **Partial dollarisation:** since 2024 more goods, fuel and services are sold in foreign currency, and some state entities retain part of their earnings
- **Transfers:** Law 118 allows dividends to be sent abroad in foreign currency, but conversion and timing depend on liquidity
- **Sanctions:** US sanctions limit correspondent banking and US dollar payments

Land and property

Most land is state-owned. Non-resident foreigners cannot generally buy property freely. Foreign investors may acquire property or other real rights under Law 118 for housing and offices for their own use or tourism real estate, usually as long surface rights.

Key points	
Permanent residents	May buy a home
Transfers	Before a notary and registered; taxes apply under Law 113
Title history	Property confiscated after 1959 may carry US Title III litigation risk

Before you build

Construction needs planning and building approvals, and larger projects need an environmental licence from the Ministry of Science, Technology and Environment.

GROWTH LEVERS AND LIMITS

08 Incentives, trade and sanctions

Incentives and trade

Regime	What it offers
Law 118	15% profit tax after an 8-year exemption; tax-free dividends
Mariel Zone	12% profit tax after a 10-year exemption; 1% sales tax

Cuba belongs to ALADI and has a trade agreement with CARICOM. The General Customs of the Republic administers imports and exports.

Sanctions: assess before acting

- **US embargo:** the Cuban Assets Control Regulations (CACR) bar most dealings by US persons, and some by their foreign subsidiaries
- **Cuba Restricted List:** State Department list of entities; since 30 September 2026 indirect as well as direct financial dealings with them are prohibited
- **Cuba Sanctions Regulations:** under a May 2026 executive order, non-US persons and foreign banks may be designated for activity in key sectors or with blocked persons, including GAESA
- **Title III:** claims in US courts against those who "traffic" in confiscated property, active since 2019 and widened by 2026 Supreme Court rulings
- **Other US measures:** Cuba is designated a State Sponsor of Terrorism (reinstated January 2025), and US export controls apply to US-origin items
- **Blocking statutes:** the EU and Canada have laws that restrict compliance with US Cuba sanctions

Our position

Dawgen Global's work on Cuba is advisory: we help international clients understand the Cuban economy and the current position on doing business in the country. This support is provided only where permitted under applicable sanctions laws, and clients should obtain specialist legal advice on sanctions before acting.

COMPLIANCE

09 Regulators and compliance calendar

Who regulates what

Body	Role
MINCEX	Foreign investment approvals and foreign trade
ZEDM Office	Approvals and licences in the Mariel Zone
Ministry of Finance and Prices	Tax policy and fiscal benefits
ONAT	Tax registration, returns and collection
Commercial Register	Registration of companies
Chamber of Commerce	Register of foreign branches and agents
Central Bank of Cuba	Banking, foreign exchange and accounts abroad
Ministry of Labour and Social Security	Labour regime and employing entities
General Customs	Imports, exports and duties
Ministry of Science, Technology and Environment	Environmental licences

Key filing dates

When	What
Each month	Sales or services tax, labour force tax and social security contributions, by ONAT's deadlines
From early January	Annual tax declaration campaign opens
31 March	Profit tax sworn declaration and payment for legal entities (2026 campaign)
Each year	Personal income tax declarations, as set by ONAT
As required	Reports to MINCEX or the ZEDM Office under the authorisation

Forms are published on the ONAT portal (onat.gob.cu). Late filing and payment attract surcharges and penalties.

Sanctions compliance

Keep sanctions screening of partners, banks, vessels and counterparties under continuous review, because US lists and rules changed repeatedly in 2025 and 2026.

ACTION PLAN

10 Your first 90 days: checklist

Use this checklist to track the essential steps once an approval is in hand. Sanctions advice comes first.

Before day 1

- [ ] Obtain specialist sanctions advice
- [ ] Screen partners, banks and assets
- [ ] Check property title history
- [ ] Secure the investment approval

Days 1–30: establish

- [ ] Execute the notarial deed
- [ ] Register in the Commercial Register
- [ ] Register with ONAT
- [ ] Open Cuban bank accounts
- [ ] Give the Central Bank notice of foreign accounts

Days 31–60: license and staff

- [ ] Obtain environmental and sector licences
- [ ] Decide direct hiring or employing entity
- [ ] Arrange work permits for foreign staff
- [ ] Agree pay, bonuses and incentive fund rules

Days 61–90: operate

- [ ] Set up accounting under Cuban standards
- [ ] Build the tax and filing calendar
- [ ] Put data protection policies in place
- [ ] Plan foreign currency and repatriation
- [ ] Monitor sanctions changes

YOUR PARTNER

11 How Dawgen Global helps

We support Cuba-related matters through our Caribbean Service Desk, managed from our headquarters in Kingston.

Market entry and structuring
Choice of investment form, feasibility studies and business plans.

Incorporation and corporate secretarial
Formation documents, registers and filings.

Tax advisory and compliance
Law 113 and Law 118 analysis, returns and treaty review, through our Caribbean Tax Service Desk.

Accounting and payroll outsourcing
Bookkeeping, management accounts, payroll and a Virtual CFO.

Audit and assurance
Reviews and special-purpose reporting for investors and parent companies.

HR, immigration and legal support
Employment arrangements, HR policies and legal process support, with our panel of attorneys where needed.

Risk and compliance
Compliance programmes, data protection and internal audit.

Technology and cyber
Systems selection, digital transformation, cybersecurity and AI governance.

Incentive applications
Law 118 and Mariel Zone incentive assessments and applications.

Start with a conversation

Dawgen Global's support for Cuba-related matters is provided only where permitted under applicable sanctions laws, and clients should obtain specialist legal advice on sanctions before acting. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request. Fees are tailored to each client's circumstances and set out in an engagement letter. Email **cuba@dawgen.com** or **info@dawgen.global**, or call (876) 926-5210.

Talk to the Cuba Caribbean Service Desk

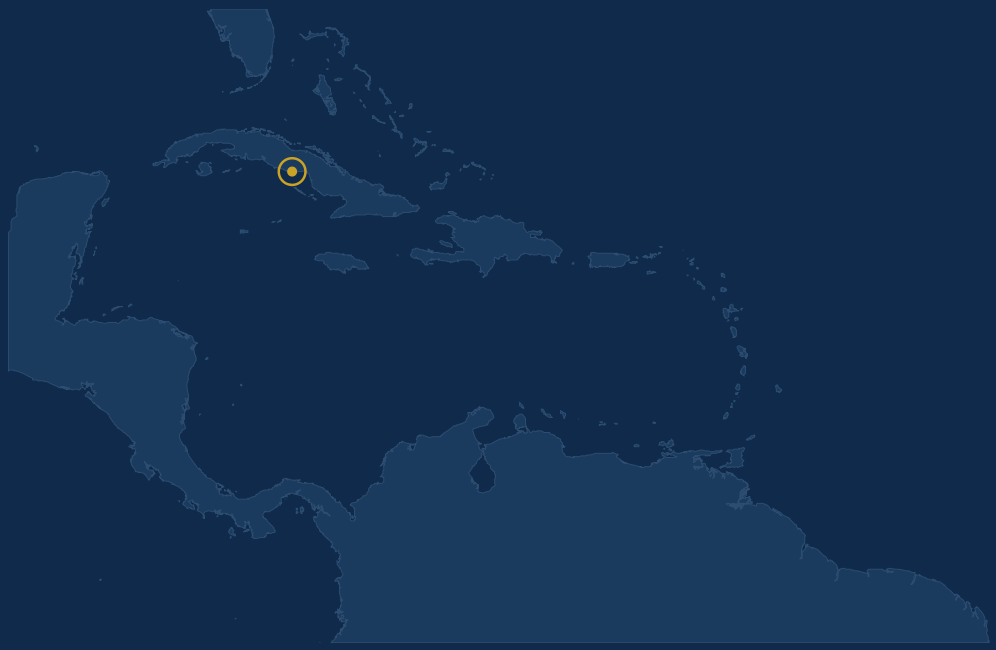
Contact

cuba@dawgen.com

Dawgen Global, Dawgen Towers
47-49 Trinidad Terrace, Kingston 5, Jamaica
(876) 926-5210 · (876) 630-2011
(876) 929-3670 · (876) 929-3870
US toll free 855-354-2447
info@dawgen.global · dawgen.global

Key official sources

- Ministry of Foreign Trade and Foreign Investment (mincex.gob.cu)
- National Tax Administration Office, ONAT (onat.gob.cu)
- Official Gazette of the Republic of Cuba (gacetaoficial.gob.cu)
- Mariel Special Development Zone Office (zedmariel.com)
- Central Bank of Cuba (bc.gob.cu)
- Ministry of Labour and Social Security (mtss.gob.cu)
- Chamber of Commerce of Cuba (camaracuba.cu)
- US Treasury, Office of Foreign Assets Control (ofac.treasury.gov)



This publication contains general information only, current to October 2026, and is not professional advice. Cuban rules, tax rates, exchange rates and procedures change frequently, official texts in Spanish prevail, and sanctions laws of the United States and other countries may apply; confirm the current position with Dawgen Global, the relevant authority and specialist sanctions counsel before acting. Dawgen Global's support for Cuba-related matters is provided only where permitted under applicable sanctions laws. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request.
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